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CUSTOMER SATISFACTION AND LOYALTY IN A FINANCIAL INSTITUTION

Case study – Ecobank Cameroon

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ABSTRACT

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<p>The purpose of this thesis is to examine the correlations between customer satisfaction and customer loyalty. “Customers became a center for all banking activities due to increased competition for greater market share. Focusing on customer satisfaction has been the key to increasing service quality according to customers’ expectations in the banking sector,” suggested that the level of service quality is an indication of the organization's ability to meet customers' desires and demands. Therefore, organizations must become better in their services to meet the customers' needs and requirements. Managers depend on customers’ anticipation of service quality for the competition in the market. When customers are satisfied, they remain loyal to the bank and stayed there for long. For bank to effective compete in the environment in which they operate, bank should analyses their market in order to gain a real understanding of what their customer needs. Bank need to diagnose the customer needs and wants and design method to satisfy them. Forther more banks must analyses the strength and weaknesses of their competitors, they must exploit the weaknesses and try to second guess the competitors strategies</p> <p>Both qualitative and quantitative research methods are used. In addition this work relies on the researcher internship experience in the Ecobank. one in-depth interviews was conducted with the manager on duty who is also the head of customer sevice in the bank. In addition, a questionnaire survey was conducted with the customers of the bank to find out the factors which influence their satisfaction and loyalty. Furthermore, a SWOT analysis was conducted to recommend a strategy for its future development. Customer satisfaction is regarded as an invisible asset. It is not only an improvement for the development of the finacial institution but also can be used in predicting for the operation quality and development of ecobank in general. To satisfy the customer and build their loyalty are the basics for an enterprise to be improved and developed. Customer satisfaction can be used as a standard to test a bank service quality. Service standard must start from the demands of customers and end with the satisfaction of customers.</p>		

Key words

Customer, Banks, Relationship, Satisfaction, Loyalty, product and services, customer retention.

ABSTRACT

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1 INTRODUCTION

A Financial institution or bank can be defined as an institution, which accepts deposit grant loans and makes payment. Customer loyalty refers to customer behavior that indicates a desire to improve the relationship with the company, customer willingness to purchase again from the company have preferences for the company or recommending the companies to other could indicate the customer desire to remain in a relationship with the company. Customer relationship management recognizes the long run value of a potential and current customer. The main objective of any financial institution is to maximize profit and to do this they must have a large pool of reliable customers who can stay with the institution, for the near future. To maintain these customers and make them loyal to the institution there must be a bond that keeps them together. This bond is in the form of contract and moral justice. Any relationship between the bank and customer must be a good one to enhance mutual benefits to flow to the parties involved. The benefit must not be on equal amount but the two parties must be satisfied. A customer is the heartbeat of a bank and other businesses. From financial perspective, customers own a bank and they must be there for it to continue for a near future.

Banks are competing intensely in a highly competitive environment to offer quality oriented services according to customers' expectations. Many researchers to better understand and serve the community at large are studying various important parts of a banking sector like operations, service quality, employee satisfaction, customer satisfaction, financing products, efficiency, and financial performance.

The high quality relationship with customers is the main influence of a successful service provider "which determines customer satisfaction and loyalty". Organizational outcome such as performance superiority is primarily influence by the service quality increasing sales profit, market share progressing customer relations, improving corporate image and promote customer loyalty. So service quality and customer satisfaction are related to customer loyalty through repurchase intentions. Banks must convey quality service to ensure success and survival in today's competitive banking. It is logical that a satisfied customer will become at the end a repeat purchaser and a loyal buyer for many causes. This relationship between satisfaction and loyalty should conclude in improve marketing performance for a variety of reason.

1.1 Purpose of the thesis

Purpose of this thesis is to examine the correlations between customer satisfaction and customer loyalty. “Customers became a center for all banking activities due to increased competition for a greater market share. Focusing on customer satisfaction has been the key to increasing service quality according to customers’ expectations in the banking sector,” suggested that the level of service quality is an indication of the organization's ability to meet customers' desires and demands. Therefore, organizations must improve their services to meet the customers' needs and requirements.

Both qualitative and quantitative research methods are used. In addition this work relies on the researcher internship experience in the bank. One in-depth interviews was conducted with the manager on duty who is also the head of customer services in the bank. In addition, a questionnaire survey was conducted with the customers of the bank to find out the factors, which may influence their satisfaction and loyalty. Furthermore, a SWOT analysis was conducted to recommend a strategy for its future development. Customer satisfaction is regarded as an invisible asset. It is not only an improvement for the development of the financial institution but also can be used in predicting for the operation quality and development of Ecobank in general. To satisfy the customer and build their loyalty are the basics for an enterprise to be improved and developed. Customer satisfaction can be used as a standard to test a bank service quality. Service standard must start from the demands of customers and end with the satisfaction of customers.

1.2 Objective of the thesis

The primary objective of this thesis is to minimize customer regress and to maximize customer intension rates to buy. Because satisfied customer may help firm both reduce marketing cost, developed more stable level of sales when a large number of satisfied buyers are return to purchase in the future. In addition, to know the relationship between banks and it customer, how this relationship helps to satisfied customer and make them remain loyal to their banks. Furthermore, to study the concept of customer satisfaction and loyalty and discover the factors influencing them. Lastly, to analyze the relationship between customer satisfaction and loyalty, how customer satisfaction and loyalty can be increase and as well increase the profit of the bank.

1.3 Literature review

“Regarding the competitive environment, there is a need for banks to plan their Strategies that will differentiate them from another. This can be achieve through the Delivery of high service quality. The practice of excellent service quality has been proven customer satisfaction will significantly lead to customer loyalty” “Customer satisfaction is one of the most important issue concerning business organization of all types. As Roch & Allen (2007) state, “to understand the difference between customers attitudes and behaviors and how the relationship between them works is crucial for managers involved in any aspect of customer management, since attitudes show the customers satisfaction and behavior show customers’ loyalty.” The thesis research does not only discuss the concepts of customer satisfaction and loyalty, but also analyzes how customer satisfaction influences customer loyalty from the point of view of the research. As Hill et al., (2007, 7) point out that, “measuring customer satisfaction is to make decisions on how to improve it.” Subsequently, this thesis research attempts to provide a set of recommendations for the case company’s future development in order to increase both their customer’s satisfaction and loyalty.

Customer satisfaction can also be defined as an "evaluation of the perceived discrepancy between prior expectations and the actual performance of the product" (Tse et al, 1988). Satisfaction of customers with products and services of a bank is considered as most important factor leading toward competitiveness and success. Customer satisfaction is actually how customer evaluates the ongoing performance Gustafson (2005). According to Kim & Jagdish (2004) customer satisfaction is customer’s reaction to the state of satisfaction, and customer’s judgment of satisfaction level. Customer satisfaction is very important in today’s business world as according to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. Customer satisfaction makes the customers loyal to one financial institution. Previous researchers have found that satisfaction of the customers can help the bank to build long and profitable relationships with their customers. Though it is costly to generate satisfied and loyal customers but that would prove profitable in a long run for the bank. Therefore a bank should concentrate on the improvement of service quality and implement a high interest rate on customer money been save in order to satisfy their customers which would ultimately help the firm to retain its customers Gustafson (2005).

This satisfaction may influence the bank to introduce new product which can be beneficial to the customer, positive word of mouth and willingness of customer to pay more for the particular service or use them. Any business is likely to lose market share, customers and investors if it fails to satisfy customers as effectively and efficiently as its competitors is doing.

Banking services in the Western world is one of the many services administration in which customer satisfaction has been the concentration of research Holliday (1996). This is basically as a result of way that the managing an account division is progressively encountering an abnormal state of rivalry. This puts a huge measure of weight on banks to enhance their banking sector (Levesque & Michal, 1996), from state proprietorship towards privatization. Identified with this are the progression strategies taken after by the administration, which has urged some universal players to escalate their exercises in the market. Customer are additionally progressively getting to be refined as they have entry to the most recent types of data innovation for example, the Internet. Therefore, numerous budgetary organizations need to concentrate on expanding customer satisfaction through enhanced nature of banking empowering components that make it simple for the customer to work with the bank. The banks to convey these advantages on a proceeding with premise to its current customer will likely effect on consumer satisfaction.

1.4 Structure of the thesis

This thesis is divided into 5 chapters. The first chapter provides a general outline of this research. It includes the research objective, background, research question and motivation. The case company is describe in the second chapter and also focuses on discussing the research methodology of this thesis. It describes the process of this research and discusses some limitations. In the third chapter, the concepts of customer satisfaction and customer loyalty are defined and explained based on a literature review. In addition to the concepts of customer satisfaction and customer loyalty, the relationship between customer satisfaction and customer loyalty is explored. Moreover, the factors influencing customer satisfaction and customer loyalty are analyzed. In addition, the SWOT analysis of the case company is presented in chapter 4. Chapter 4 also goes further and analyzes the data that are collected for this research, including data from the interviews and the questionnaire survey. Chapter 5 of the research which is the

last chapter presents conclusion ,the results of this research, together with a set of recommendation has been provided for the case company, not forgetting references and appendices.

1.5 Research methodology

David Cox (2006) demonstrated that once a good research has been outline the researcher can pick fitting method for information gathering and investigation. This chapter presents the discussion of the research process and methodology used in this thesis research. Furthermore, some limitations in this research are presented. Both qualitative and quantitative research methods are used. In addition this work relies on the researcher internship experience in the bank.

1.6 Limitation of the research

One of the limitation of this research was time differences within both counties, this slow down little the Communication with the manager. Again it was not easy for some customer to understand the reason for the questionnaire giving to them because most of the customer especially the farmers whom some are not educated fine it difficult to understand. More so there was some difficulties in finding books at the library linking directly to financial institution. Lastly there was limitation on some particular type of question not answer and the manager find it difficult to disclose some of the information needed.

2 PRESENTATION OF Ecobank

Ecobank, whose official name is Ecobank transnational Inc, is a Pan-African banking conglomerate, with banking operations in 36 African countries. It is the leading independent regional banking group in West Africa and Central Africa, serving wholesale and retail customers. In the early 1980s the banking industry in West Africa was dominated by foreign and state-owned banks. There were not really any business banks in West Africa (Adapted from History of Ecobank 2008).

Ecobank has two specialized subsidiaries: Ecobank Development Corporation (EDC) and eProcess International. EDC was incorporated with a broad mandate to develop Ecobank's investment banking and advisory businesses throughout the countries where Ecobank operates. With more than 1,500 branches in 35 countries, the Ecobank-Nedbank Alliance is the largest banking network in Africa. The alliance was formed in 2008 between the Ecobank Group and the Nedbank Group, one of South Africa's four largest financial services providers, with a growing footprint of operations across the Southern African Development Community. As concern ownership, the share of Ecobank Transnational Inc are traded on three West African stock exchange namely the Ghana stock exchange, Nigeria stock exchange and BRVM stock exchange in Ivory Coast. In 1984, Eco-advancements S.A. was consolidated. Its establishing shareholders raised the seed capital for the plausibility examines and the limited time exercises prompting to the formation of Ecobank (Cameroon business report 2012, 9-11).

Ecobank Foundation is dedicated to improving the quality of life for people across the continent. From educating students in Africa, to providing healthcare to communities, we are agents of change. In whatever we do, we seek to unlock opportunities for all Africans. Ecobank Transnational Incorporated, the leading Pan-African bank, set up the Foundation to enable prosperity in the communities in which the bank operates. Ecobank Commercial Banking, offers everything your business needs to manage your day-to-day finances. Make fast and secure cash, drafts and cheque transactions across our network of fully-equipped branches, as well as over-the-counter funds transfers, and Real Time Gross Settlement (RTGS) for domestic payments. If your business requires it, we can offer teller implant solutions. Plus, you can make the most of business banking online. (Cameroon business report 2012, 9).

Ecobank has as Mission & Vision the dual objective of Ecobank Transnational Incorporated to consolidate a modern pan-African bank and to contribute to the economic development and financial integration of the continent. While Ecobank plays a leading role in the continued growth of the private sector and increasing intra-Africa trade and investment, we're able to offer innovative solutions to all of our customers. As per Future Strategy Ecobank's Network Advantage harnesses its pan-African Platform, Talent and Customer experience to catalyze transformation through financial services in Cameroon and Africa as a whole (Awanbeng, 1993).

2.1 Ecobank-The Pan African Bank

Ecobank is the only bank that provide comprehensive range of financial solution for multinationals, governments, parasites and SMEs that are expected of a world class integrated investment bank Eco bank is the only bank to trade in middle Africa 16 currencies and they have over 30years experience in pan-African deal origination and execution. Their focus is middle Africa the region between North Africa and Rand Zone which had the richest potential for growth (Business in Cameroon 2012)

Ecobank came into existence in Cameroun in the year 2001. It provides commercial banking services, the company was founded in 2001 and is headquartered in Douala, Cameroon. Ecobank Cameroun operates as a subsidiary of Ecobank Transnational Incorporated. Ecobank Cameroon is regulated by the Banking Commission of CEMAC Region (COBAC) regulating body of the banking business in CEMAC Region, itself under the authority of the Bank of Central Bank (BEAC). Ecobank Cameroon has 27 branches and 08 cash point with 374 employees in 2013 against 358 employees in 2012. Compared to the previous year, the achievements of 2012 show a significant change in several ways. As of now two branches where close in Douala and one big branch was open in Douala, so therefore they have presently 26 branches and 11 ATM cash point. Ecobank is now enjoying the electronic MasterCard giant after signing of an agreement between Credit Card Company and Ecobank group on June 15 2015. The researcher did the internship and research in one of the branches of Ecobank in Cameroon kumba to be precise located in the southern part of Cameroon (Business in Cameroon 2012).

It has different kind of account like;

- Current account. Under current account they have (classical current account, advantage current account, premier current account, diaspora current account and student current account)
- Savings account. They have student savings account, classical savings account, diaspora savings account and advantage savings account)
- E-account. It equipped you with right account for the life you leave.
- Loans

On the payment and transfer of the bank they have

- Internet banking,ATMs, Cashless payment and banches

On the product and services of the bank they have as follows

- Card (debit card, credit card, prepaid, visa PAC, MasterCard)
- Loans
- Investment solution (fixed income fund and money market fund)
- E - Product
- Microfinance

ECM closed the year 2012 with a slight increase in total assets of 1%, driven by deposits increased 5%.

The strategy put in place to monitor the mobilization of resources is maintained.



FIGURE 1: Visa card(Visa cashxpress card (2012)

FIGURE 1 above is the visa card of eco-bank, it carries the card holders name, the card number, valid and expire date and name of the bank. With the introduction of ATM it facilitate transaction for the customer, this brings so much joy to the customer, made them satisfied and remain loyal to the bank.



FIGURE 2: Structure of the bank (Source: Business in Cameroon (2015))

Figure two shows the structure of the bank, Eco-bank has one of the best structure so far among other banks in Cameroon and best in kumba where the research was carry out. It has good working facilities and located at the central town making it very easy for people to locate it and safer.

2.2 Duties of a Banks to Customers

The definition of a duty is a task or action which a person is bound to perform for moral or legal reasons. The bank has number of duties which are as follows;

- I. Honor customer cheques. The bank has the duty to honor or pay customers cheque if :
 - The cheque are correctly made out or properly drawn
 - The customer has sufficient funds in his account or payment of the cheque would not exceed an agreed overdraft limit.
 - There is no legal reason why cheques should not be paid.
- II. Receipt of customer funds: the bank has the duty to credit cash or cheque paid to the customer account.
 - There is a written request from the customer in the form of cheque or as otherwise agreed.
 - The transaction takes place during the bank opening hours.

- III. Comply with customer's instruction: the bank must comply with instruction from a customer to pay the money through a direct debit mandate or standing order provided that the customer has sufficient cash in the account.
- IV. Confidentiality: This is part of the professional duty of a banker. A bank should keep in confidence what it knows about customer affairs. There are four recognized exception where a bank may disclose information about its customer affairs
 - Where the bank is required by law to do so (compulsion by law)
 - Where there is a public duty to disclose for example if the bank is aware of some transaction that are damaging the national interest.
 - Where the interest of the bank requires disclosure for example customer might direct a third party to apply to his bank for references.
- V. Advice for forgery: a bank must advise a customer if cheques bearing a forgery of the customer signature are being drawn on his account.
- VI. Closure of account: bankers must provide reasonable notice to a customer when the bank wishes to close the account may be because of misuse by a customer. This period of notice is given to a customer for him to make other financial arrangements.

2.2.1 Duties of a customer to a bank

Customer has the following duties to the bank

- To notify the bank of any suspected problem
- To keep authorization current.
- Ensure safety and security of the cheque book, ensuring that neither words nor figures can be altered.
- To take reasonable steps to provide documentation as to who is authorized to give instruction to bank in order to prevent forgery and fraud.
- The customer has the duty to issue cheque only if he has sufficient funds in his account, that is sufficient credit balance or unused overdraft facility.
- The customer has duty to the bank to pay all charges interest and commission levied by the bank in the course of rendering him banking services. The charges, interest and commission must be legal.

2.2.2 Maintaining a Good Relationship with a bank

Customer must maintain a good relationship with the bank to maintain their goodwill with the bank. If they maintain a good relationship, the bank will have trust in carrying out any transaction with them. The banks can easily assess the credit worthiness of the customer during the credit rating process. Decker (1992) explain that a firm relationship with a bank can enable the bank to initiate other relationship which will be of mutual benefits, especially in international trade between the exporter and the importer. To maintain this relationship customer are supposed to carry out their responsibilities efficiently and effectively, as mentioned above. It should be noted that this relationship is a contract and therefore it is a two-way traffic or else the contract will be null and void.

Banker- customer relationship at the bank counter. The contact point of the customer is at the counter. It is unfortunate that many banks and other financial institutions have arm chair who parade the counters of banks, usually with contours on their faces each time you meet them especially when it is already time for break. At this time they behave as if they had some problems with the customer. Some of them do this in ignorance because they do not know the requirement of their jobs. The worth of any bank manager is measure from his/her ability to prospect and maintain customer. This is one of the non-financial performance indicators to assess the performance of managers. Any banker who is in front of the customer is supposed to chuckle and create amity with the customer. Some customer may be rushing to the bank in quest for money when they have very serious problems for example one may have a child who is sick in the hospital, in this case a reasonable banker will try by all possible means to calm the customer and tell him/her that “God is in control” some feeble bankers will instead shout at such customer. According to Tegwi (2012), a good ethical and a professional banker may communicate with the customer as follows

- How is your health?
- How is your family?
- How can I help you?
- Nice to have you back

When the customer has finished and about to go, you may say the following,

- Remember me to your family
- Have a nice day
- Success in your business

- May God bless you

Such a cordial relationship will entice the customer to bring others. Bankers are advised to refrain from any spirit of transfer aggression. Some bankers may quarrel with their family members at home and carry the problem to the bank. This is an indigent attitude. Bankers should try to defeat the psychology of their customer so as to know what they want at each time they come to the bank premises.

2.2.3 Termination of Banker Customer Relationship

The better way is to say the banker-customer relationship contract has come to an end. This is because it is difficult for the relationship to fully come to an end as the bank still has some traces of the customer information in the system after the termination of the contract. The banker-customer relationship can also be terminated as well as established. According to Tegwi (2012) the banker-customer relationship can be terminated:

- If the banker fraudulently embezzles a customer money.
- If the banker does not present passbook or statement of account to the customer.
- If the banker does not provide banking services to the customer properly for example any cheque, bills are not collected without informing the customer.
- If any fraudulent cheque comes to the hand of a banker and if he makes payment without informing the customer.
- It can also be terminate by death of the customer.
- When the customer is mentally incapacitated.
- When the customer or bank is bankrupt or insolvent.

3 THEORY OF CUSTOMER SATISFACTION AND LOYALTY

3.1 Customer Satisfaction

Customer satisfaction is generally described as the full reaching of one expectations. Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used (Taylor & Baker, 1994). In other word Customer satisfaction implies that the customer' inclination about their communicated requests or desire have been satisfied. Customer satisfaction is complicated to characterize on the grounds that typically it is mitigated by desire. Customers will be satisfied and feel fulfilled if the product or services above requests or desire. Satisfaction is likewise the input that given by the customer about the product or services quality and evaluation of the product and services itself. It is a sure mental affair which demonstrates customer joy of their conduct. Customer satisfaction is an inconsistent component, one certain product or services may satisfy a customer may not satisfied another customer. In this way, keeping in mind the end goal to build the customer loyalty the most extreme, the variables which may impact customer satisfaction must be seen legitimately. As Goodman (2009) identifies, "satisfaction is muddle to characterize". Customer devour conduct will be created again and won't change to another product or services by expanding their satisfaction. In any case, the meaning of customer satisfaction can be extensively fitted into two classifications.

Customer satisfaction is characterized in light of the conduct amid the utilization. This definition is produced using the conduct of customer perspective. It viewed customer satisfaction as a criticism for a specific conduct amid the purchasing conduct. It is trusted that the behavior of the employees who can offer directly or indirectly to the customer can influence customers choice or decision on which account they want to open, More particularly, when a customer can feel about the advantage of a product or services, the customer will pay at the cost and can endure with the rising cost. Wilton (1988) characterizes customer satisfaction as a judgment for the distinction between the nature of the product and services and customer own particular desire. As per this contention, customer will fill fulfilled and satisfied if they get what they so need at the bank in any time need be for the services render to them by the bank they will be satisfied. But if the customer does not get the interest as was explain at the time of creating that account such customer will be disappointed and dissatisfied. Every one of these definitions pave the way to the features of customer satisfaction.

- **Consistency:** Customer satisfaction underlined the significance of consistency. It is a response for certain utilization encounter. It investigates the correlation between customer desires or expectation and real recognition, through the correlation find in the event that it has consistency keeping in mind the end goal to discover fulfilled or disappointed judgment (people Metrics 2010).
- **Generalize:** Customer satisfaction is a general assessment for the utilization experience of the customer, each and every detail amid the utilization procedure could bring about disappointed feeling. Subsequently, expanding the nature of the product or services can satisfied the customer, the dedication of the customer can be expanded as well.

3.2 Customer Loyalty

Loyalty is the attachment a customer feels for a bank, people, products, and services. Homburg & Klar-mann (2014) defines a loyal customer as someone who makes regular purchases, Purchases across product and service lines and refers others. The key to generating high customer loyalty is to deliver high customer value (Kotler Keller, 2006). It is complicated to give a suitable meaning of loyalty. Loyalty implies a customer like to pick a product or service contrast to its rival. The meaning of loyalty has been given in numerous important writing, as it may be, there is no bound together view to its definition. Bryan & Jeffery (2006) explain that "loyalty is best measured by repeating buying conduct." According to Reichheld & Gerger (2013), "loyalty is about procuring individuals' eager duty to a relationship that will enhance their life over a long haul". You can deduce at this point that customer loyalty has to do with gaining customers trust and enhancing future benefits. Customer loyalty demonstrates a customer inspirational attitude for the repeating purchasing behavior on certain product or services. Customer loyalty alludes to the impacts of value, quality, services, benefit and numerous significant components, these variables can make force emotions on certain product and services so that the product and services get to be love by customer. Customer loyalty implies the repeating purchasing conduct in light of individual inclination of certain product or services. Dedicated or loyalty customer are the most upper hand of a bank. Thomas & Tobe (2013) stress that "devotion customer are more gainful." For example customer that are devoted to a bank like Ecobank cannot be easily convince to leave the bank. Furthermore, customer loyalty is mostly communicated through passionate unawareness and conduct loyalty. Among them enthusiastic loyalty accept that the customer is exceedingly perceived and fulfilled for the conviction, conduct and vision impression of the banking business.

Grembler & Brown (1999) partition customer loyalty into three class which incorporates conduct or behavior loyalty, purposeful or intentional loyalty and passionate loyalty. Conduct loyalty is the repeating buying or acquiring conduct. Purposeful loyalty is the conceivable purchasing goal. Enthusiastic or passionate loyalty is the attitude of customer for the bank and its product or services, the client may help the organization broadcast its product or services positively.

3.2.1 Types of loyalty

Some customers, for some products, never become loyal. They switch their affiliations depending on who offers the best deal. According to Paish & Briston (1978), in competitive markets with products that are reasonably indistinguishable, certain marketing strategies can unwillingly create customers who lack loyalty. For example, if businesses try to achieve market share by providing a service at the lowest price, by issuing coupons, or by Journal of bank making special introductory offers, then customers may keep following the best deal and may even feel cheated if they do not receive a discount.

- Inertia Loyalty: In less competitive financial institution Goodman (2009) explain that many banks can be lulled into assuming that their clients are loyal because they have nowhere else to go. Consequently, clients may borrow again and again, but not because they have a particularly high attachment to the organization. If a new player arrives on the scene, these customers would be the first ones out the door.
- Latent Loyalty: While customers may feel loyal to an organization, they may not want to borrow all the time. Perhaps they only borrow to stock up on inventory during the holiday season, or perhaps their business is generating enough revenue that they no longer need to borrow. While not highly profitable, these “latent loyal” represent a valuable market for new products as well as an indispensable source for referrals.
- Premium Loyalty: Premium loyalty, characterized by a high affinity and repeat patronage, is the most desirable form of loyalty. Customers who exhibit premium loyalty are proud of their affiliation with an organization and they take pleasure in sharing their positive experience with others. The challenge is how to cultivate premium loyalty.

Roch & Allen (2007) explain that, if an organization is loyal to its customers, if it is committed to providing them with a valuable service, and if it improves that service as its customers’ needs change, then customers are likely to repay the favor in the form of a mutually beneficial, long-term relationship.

Is customer loyalty worth the effort? This section attempts to demonstrate that the road to profitability is paved with customer loyalty.

Life Cycle Strategy. Many financial institution employ a life cycle strategy, which involves serving unprofitable customer in anticipation that they will become profitable customers over time. In this case, profitable means that the cost of providing a loan to a client is less than the revenue that loan generates. Following the life cycle strategy, the institution needs to retain customer at least until they produce enough revenue to cover the losses they accumulated during the previous loan cycles. For the first few loans, the acquisition and screening expenses, on top of the regular transaction costs, are often higher than the revenue produced by low loan balances. Only after several loans do the unit costs come down (through more efficient servicing of repeat customers) and the revenues increase (through larger loans) to the point where that loan generates a net income. And still it may take several more loans before the accumulated income from that customer is sufficient to cover the losses from earlier loan cycles.

3.3 Factors influencing customer loyalty and customer satisfaction

Customer loyalty is a conduct while customer satisfaction is a state of mind. Along these lines, there are sure contrasts between the components which impact customer satisfaction and customer loyalty.

3.3.1 Factors influencing customer satisfaction

There are many components which may impact customer satisfaction. The variables are clarified by Hill et al., (2007) as beneath:

1. **Value of service quality or product quality:** The estimation of service quality or product quality assumes an essential role in customer satisfaction. On the off chance that the customer trust the estimation of service quality or product quality above his or her desire and expectation, then the customer will fill fulfilled and satisfied. Again, if the customer feels the value of service quality or product quality underneath his or her expectation, then the client will be disappointed.

2. Customers felling: The customer feeling can likewise impact the sentiment satisfaction. This feeling could be steady and exists before purchasing conduct. For example, enthusiastic state or the life mentality. As per Deng et al., (2015) cheerful and solid passionate state, uplifting attitude will make beneficial outcomes, generally negative mentality or enthusiastic state may bring the customer into another position which the customer will be disappointed more easily.

3. Perception of equality and fairness: Here the factors that influence customer satisfaction may likewise be impacted by the impression of fairness and equality. A large portion of the customers truly think about in the event that they have been dealt with as the same as alternate customers. Subsequently, same price, same services or a fair arrangement is imperative.

3.3.2 Factors influencing customer loyalty

The variables which impact customer loyalty according to Kaplan (2009) incorporate inherent esteem, customer satisfaction, customer experience and corporate image. These components are originating from the organization itself, as well as from its rivals, customer and social condition. When all is said and done, the variables can be split into three classifications.

A) Corporate Brand awareness: Brand is utilized to distinguish a specific product or services with the others. It for the most part comprises of words, mark, image, symbol and colors. Mark speaks to the dedication of the venture and the normal for item. A perceived brand is the evidence of good quality. So the brand is extremely useful for the offering. For the customer, brand is effortlessly to distinguish and perceived. As indicated by Deng et al., (2015), perceived brand has incredible consideration on its dedication for the customer, so an outstanding brand product or services turns into the main decision for the customer. In this way, corporate brand can impact customer loyalty.

B) Service quality: Again services quality has a straightforward impacts on customer loyalty. It is one of the key components which may impact customer behavior and conduct. Service quality chooses whether the customer is loyal or not. Deng et al., (2015). Therefore, enhancing and improving service quality can build and increase customer loyalty.

C) Customer satisfaction: Wilton (1988) characterizes consumer loyalty as a judgment for the distinction between the nature and quality of the product or services and customer own particular desire. As per this contention, satisfaction is an appraisal for the product or services. The customer loyalty and dedication will be expanded with the increase of customer satisfaction. This is additionally the essential to enhance customer loyalty.

3.4 Relationship between customer loyalty and customer satisfaction

Satisfaction is a decent indicator of commitment and repeating purchasing conduct." Customer fulfillment is a standard to distinguish the genuine sentiment a customer about quality of product or services. It is not just about the immediate impression about product or service quality, additionally indicates how the product or services take care of customer desire or demand. Customer loyalty influence the quality of product or services and numerous different components. It can make the customer sincerely included with the product or services. Particularly for a financial institution, since the administration chain is muddled, everything about this chain could attempt on pulling in customer. By and large, "customer satisfaction is not equivalent to customer loyalty.

Kaplan (2009) explain that customer satisfaction is sure to be a psychological satisfaction, it is an attitude which is appeared after the acquiring behavior . As it may be, customer loyalty is a conduct of proceeding with exchange. It is additionally an advance for repeating purchasing. Customer satisfaction measures a customer sentiments and desires while customer loyalty reflects to the conduct of buying and duty of acquiring later on in the future. The study of customer satisfaction demonstrates the assessments and sentiments about past acquiring background, that is, it can just reflect to the past conduct. It can't be utilized as a dependable forecast for future conduct. The study of customer loyalty can foresee what the most loved and favorite product or services are.

Gitomer (1998) stresses that customer satisfaction is useless on the grounds that a satisfied customer still will purchase the other organization's product or services." Moreover, infrequently even the customer is not completely happy with the product or services in any case, despite everything he picks it in view of a lower cost or simply the area. There is no doubt that customer satisfaction is the key component which

can bring about repeating buying conduct. Nonetheless, customer satisfaction is not the most vital element of customer loyalty because customer satisfaction decide customer loyalty. As per Brealey & Myers (2002) customer satisfaction can influence customer loyalty directly. Thus, it is comprehended that the relationship between customer satisfaction and customer loyalty is dynamic. Conclusively, customer satisfaction gives the premise to accomplishing customer loyalty.

3.4.1 Customer satisfaction plus loyalty equal increase profit

There has been a growing body of evidence to show there is a link between having committed (loyal) customers and profit. Johnson & Anclers (2014) make a case in their books that through creating an integrated customer measurement and management system focusing on quality, customer satisfaction and loyalty, organization will ultimately see an improvement in their bottom line financial performance.

Customer satisfaction and loyalty do not work independently of each other they are part of the whole that needs to be measure and manage in a holistic way, with a clear understanding of the customer experience the heart of the system. To achieve this Johnson & Anclers say you continually need to pursue three activities.

- Gather customer information about the product and services features that customer value and understanding the more abstract.
- Spread that information throughout the organization
- Use the information to maintain improve or innovate in product services or processes so as to increase satisfaction, loyalty and profitability (Gustafson 2005,4)

3.4.2 Employee contribution to customer satisfaction and loyalty

Smith (2014) explain “happy employee equal to happy customer ” that is happiness continues to be exclusive in the workplace as headcounts are kept low and leaders remain focused on driving higher rates of productivity and profits. Morale is low and employees are clueless about the vision, mission and

values of the firm as they get no, or conflicting information from management. Studies show that employees who are happy and engaged in their work are more successful and more likely to deliver great customer service. In most companies since is usually provided through employees interacting with customer, this interaction can be face to face or via telephone, email or writing. It is important for employee to recognize the contribution they make to ensure the company has satisfied and loyal customer.

If employee are not treated well you can be fairly certain that the message will get through to customer. Dissatisfied employee will take more time off through sickness therefore raising the burden of work on their colleague, show less enthusiasm for their company product and services and can even do so publicly. Sometimes this dissatisfaction is brought about by a sense of frustration that the company could and should do more for their customer at other time it is in revenge for the way employees perceive they themselves are or have been treated. Whatever the case imagine the effect this can have on customer. Employees plays crucial role in delivering customer on the company it products and services and their involvement and contribution to its success are vital. To have a thorough satisfaction firstly the good working condition is needed to bring satisfied employees which lead to loyal employees and by preparing all this good production would be follow which influence on customer satisfaction and make them loyal and as mentioned before high profit is about customer retention.

3.5 Measuring customer satisfaction and loyalty

According to Hill et al., (2007) Customer satisfaction is hard to measure because of a few reasons. Relying on customer satisfaction owing from their feedback is not the case on the grounds that many people incline toward staying silent when satisfied. A few people see no need of reaching the services provider while others look to pass their complaints. Prerequisites for customer satisfaction are one of a kind as well as hard to measure. Setting benchmarks and enhancing employee relationship and associations with customer is focal system of measuring customer satisfaction and guaranteeing that achievement is resolved. He point out some methods for measuring customer loyalty which include:

I. Survey customers: Looking over customer is the main possible method for getting customer criticism unless they get in touch with you. Many people are occupied and have no opportunity to pass review. You can give survey through a few routes, for example, messages, emails and utilization of telephone

calls. To get solid feedback you have to permit customer to answer inquiries on weighted scale. You can carry out repeated survey, after some time, to measure changing remarks from customer.

II. Understanding expectation: Understanding what customer anticipate from you will give ground to fulfill their desires by giving them enjoyable services. Attempting to fine what customer anticipate from you as far as product and services is the best approach to satisfy and fulfilling their needs.

III. Discover where you are coming up short or failing: On circumstances where you are not satisfying customer necessities, it is sound to discover where you are coming up short. Situation where product are not as much as publicized ought not to emerge. See whether employees are making guarantees that can't be met. Take walks and go to seminars that will furnish you with better managerial skills. Know the chain of correspondence in order to know where correspondence deficiencies are and cultivate alterations.

IV. Pinpoint specifics: Regardless of whether a customer is satisfied or not, you have to gather data to help you survey the circumstance. Gather information about what customers acquired, what they loved and they didn't care for, their real buy desire and their proposals for development. Asses the competition .Have the initiative to know why customer consider different brands over yours. Through the review, welcome customer to come and thoroughly analyze your product and services and make judgment on what you are not advertising.

V. Loyalty measurement: Customer loyalty is the probability of repurchasing product or services .Customer satisfaction is a noteworthy indicator for repurchasing and it is impacted by express execution of the product, value and quality. Loyalty is essentially measured when a customer recommends to a relative, friend and family member about given product. General satisfaction, repurchasing and probability of recommending to friends are indicators of customer satisfaction.

VI. Monitoring: Checking can be coordinated at telephone, email and visit chat communication

Monitoring incorporates robotized telephone connections designs by banks or companies to help give certifiable impression.

VII. Net promoter score: According to Kotler (2016) through NPS banks can invite their customer to have one on one chat with them, it can be either through phone, emails and this can help the bank know actually what customer wants and see how to meet with what customer actually need in order to make them satisfied and stay loyal to the institution.

3.5.1 Determinants of customer satisfaction and loyalty

To have a good satisfaction, firstly a good working condition is needed to bring satisfied employee which lead loyal employee and by preparing all this good production can be follow which influence on customer satisfaction and make them loyal and high profit is about customer retention

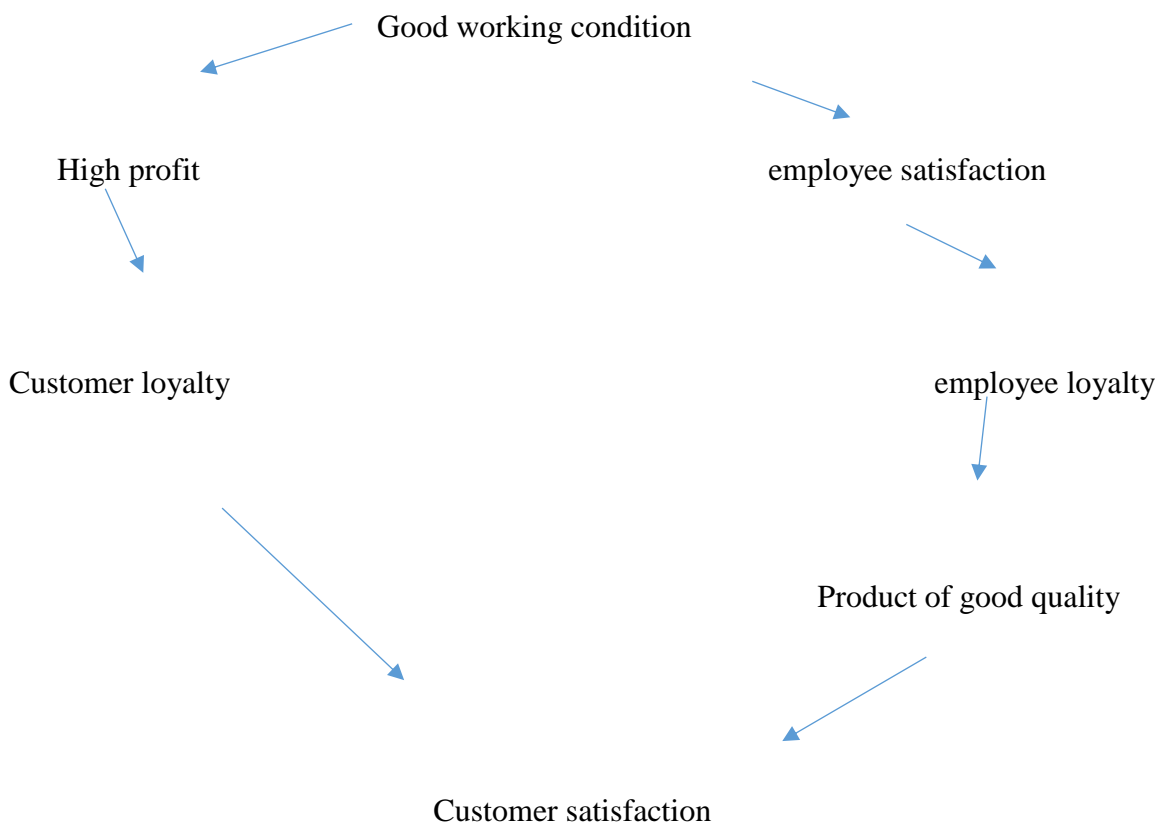


FIGURE 1: The circle of satisfaction (McHugh 2011)

Organization can understand the satisfaction of their customer through number of problems calls and the number of complaint by emails phone and number of retain product (Werth 2002). From the above circle of satisfaction it is an indicator that good working condition is the sole head of customer satisfaction, ones employee are loyal they will be a big influence on customers as well making customer satisfied and remain loyal to the bank.

At time is not really necessary to ask a customer what they need action speak louder than word, you notice or measure their satisfaction and loyalty through their commitment with the bank Since customer satisfaction is directly linked to customer loyalty it is evidence that measuring customer satisfaction without taking customer loyalty into account can be misleading.

4 PRESENTATION OF ECOBANK AND DATA ANALYSIS

4.1 Analysis of Ecobank

Ecobank is the only bank to trade in Middle Africa's 16 currencies, it is the only bank that provide comprehensive range of financial solution for multinationals, governments, parietals and SMEs that are expected of a world class integrated investment bank. It is also as well the only bank that provide comprehensive range of financial solution for multinationals, governments, parietals and SMEs that are expected of a world class integrated investment bank. Ecobank came into existence in Cameroun in the year 2001, therefore making it 16 years operating in Cameroon. It provides commercial banking services from other banks in Cameroon and consider as a commercial bank. Comparing with other banks in Cameroon it has 27 branches and 08 cash point with 374 employees as in 2013 but as of 2015 it employees mounted to over 534 with 26 branches and 11 ATM cash point. It Foundation is dedicated to improving the quality of life for people across the continent, educating students in Africa, to providing healthcare to communities. Ecobank has as Mission and Vision the dual objective of Eco bank Transnational Incorporated to consolidate a modern pan-African bank and to contribute to the economic development and financial integration of the continent (Cameroon Business report 2012, 9-11)

On carrying out the research the researcher realized that Ecobank is not only acting as a commercial bank but is as well reliable bank with one of the best product and services. Most of the micro finances of that town (kumba) do all their daily transaction in Ecobank. It has good and educated employee who are so dedicated to their job. Product and services like ATM machine and card is what is really rare to find back in Cameroon so Ecobank having such has been able to gain more customer of recent especially with the increase of the cash point making it assessable for everyone. Furthermore product like E- account which equipped and direct the customer depending on the kind of life customer live and internet banking has placed Ecobank very high and different from other banks, with internet banking one must not necessarily come to bank for transaction, this has been a long lasting prayers of Cameroonian been answer by Ecobank because it will help the people from being attack by rubbers either in their houses or on their way to the bank. More so they have open many branches as compare to other commercial banks back in Cameroon. With all this Ecobank is like a giant bank in Cameroon as a whole with it operation in different countries around the world (Business in Cameroon 2012)

4.1.1 Analysis of questionnaire

A questionnaire survey was conducted among customers who had stayed in the bank for long. The questionnaire was sent to 100 customers of the financial institution by emails. A total of 100 respondents gave their feedbacks with a response rate of 100 %. The questionnaire was sent to the customers and the questions are listed below. The purpose of this questionnaire survey was to analyze the customers' satisfaction and loyalty level concerning the Ecobank kumba, addition to providing suggestions for the bank in order to increase its customer satisfaction and customer loyalty. A total of 100 questionnaire feedbacks were received, 60 of which were from males and 40 from females with different age groups and occupation.

TABLE 1. presentation according to gender of the customer

Gender	Frequency	Percentages
Male	60	60%
Female	40	40%
Total	100	100%

TABLE 2. Presentation according to age of the customer

Age	Frequency	Percentage
18 – 25	10	10%
25 – 40	40	40%
40 above	50	50%
Total	100	100%

TABLE 3. Presentation according to occupation of the customer

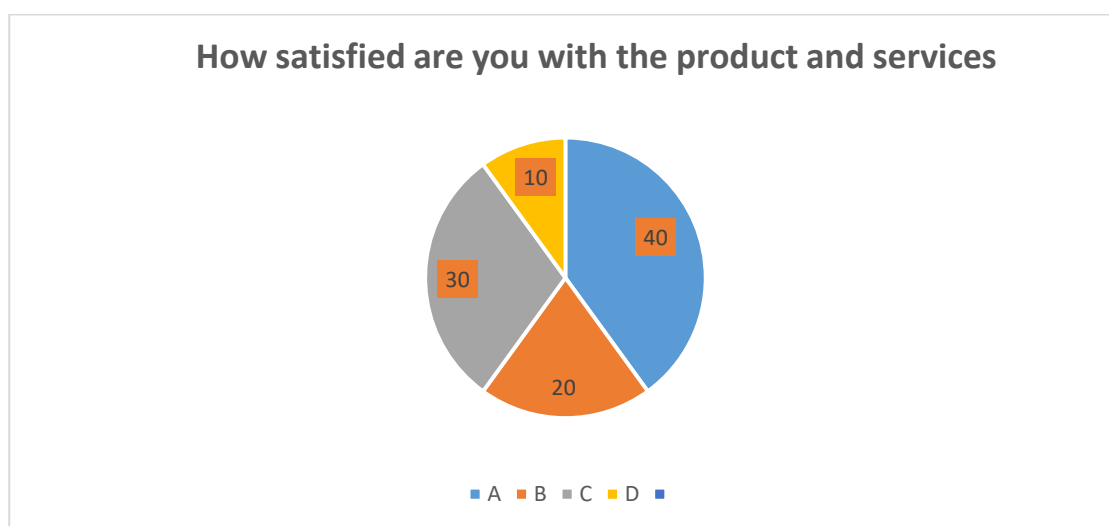
Respondent	Frequency	Percentage
Student	5	5%
Teacher	20	20%
Business man/ woman	20	20%
Farmer	30	30%
Civil servant	25	25%
Total	100	100

Table 1 to 3 shows the gender of the customer that responded to questionnaire their age and occupations. From the above tables it shows that male have account in Ecobank kumba more than female, the second table shows the age group taking to the fact most of the customer having account there are adult. Lastly the third table shows the occupation of the respondent proving that majority of those having account in the bank are farmers, back in Cameroon the most wealthy people are farmers and are mostly key customer of the bank.

TABLE 4. How long have you been a customer to our bank?

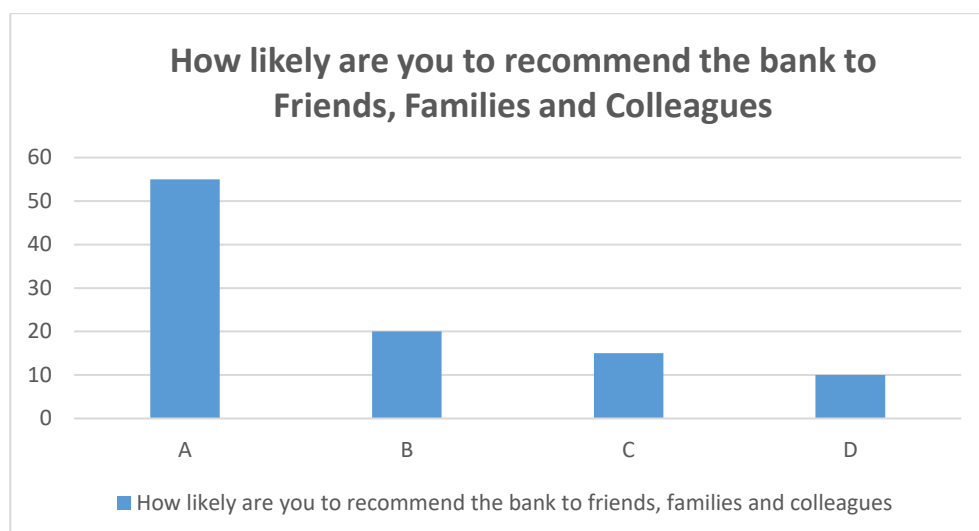
Responds	Frequency	Percentage
Just new	25	25%
Less than one year	15	15%
1-2 years	20	20%
3 years and above	40	40%
total	100	100

TABLE 4 shows how long the customer who responded to the questionnaire have stay in Ecobank branch kumba, from the above it shows that 25 % of the respondent are new comer, 15 % have been there for less than a year, 20 % have been there from 1 to 2 years 40 % being the majority of those who have been there for more than 3 years showing to the fact the response they gave was sincere and actually they somehow satisfied with the product and services if they have been there for such a long time.



GRAPH 1. How satisfied are you with the peoduct and services

GRAPH 1 shows that 10 % of the customer not satisfied at all, 20 % are either satisfied or dissatisfied, 30 % are likely satisfied 40 % out of 100 % are extremely satisfied with the product and services offer by Ecobank, with the introduction of new and reliable product introduce almost every day, this will make the customer loyal and satisfied.



GRAPH 2. How likely are you to recommend the bank to friends, families and colleague

- a) 55 % extremely likely
- b) 20 % very likely
- c) 15 % likely
- d) 10 % not at all

From the GRAPH 2 above, it shows that 10 % of the respondent are not at all likely to recommend the bank to others this can be from some weaknesses they might have encounter in the bank, 15 % are likely to recommend while 20 % are very likely, that is they can do it but at their will. But the majority of the respondent 55 % are extremely likely to recommend the bank with this percentage it show that the bank is somehow able to satisfied it customer and this can definitely make them remain loyal.

TABLE 5. Has the bank been able to meet your demands?

Respondent	frequency	Percentage
Yes	60	60%
Some how	35	35%
No	15	15%

From TABLE 5 above it shows that 15 % of the respondent are not satisfied with the services of the bank, 35 % are somehow satisfied and 60 % which is the majority are very satisfied with bank services and the bank has been able to meet up with their demand.

Lastly Customer with problems usually do not react and only about 20 % of them complain, normally a person with problem tells 10 other people about it, while satisfied customer tell 5 other people about their good experience. Keeping a current customer is more costly than acquiring a new one same as retaining a current employee cost one tenth of hiring and training a new one. In coming out with the questionnaire the researcher made use of both quantitative and qualitative research. The researcher was able to send some question and got replies from customer on their point of view what is keeping them satisfied and loyal.

TABLE 6. Net promoter score

0	5	9
1	6	10
2	7	
3	8	
4		
Unhappy	satisfied but unenthusiastic	enthusiastic

This structure of the survey represent respondent that where been expressed depending on customer option (net promotion score) it is an index which describe customer intension to recommend friends and colleagues for the bank products. From the above it shows that it is enthusiastic customer can possibly recommend the product because they are most satisfied ones Kotler (2016). Through net promoter program banks can invites their customer to assess their relationship with the institution, this evaluation can take place either through telephone via e-mails or invitation to answer question in the bank among the question should be the willingness to recommend the bank to family friends or even colleagues. Listening from customer point of view banks will be able to adopt new product and services, increase awareness, transparency and communication.

4.1.2 Analysis of Interview

As earlier said, one in-depth interview was conducted with the manager who is also head of customer service of the bank Mr. Fomouso Solomon. He was the right person to interview in order to get the right response for the research questions because Solomon has good experiences in working with customers and more to that he has professional knowledge about Ecobank and excellent service skills. These interview was conducted with questions regarding the factors influence customers' satisfaction and loyalty in Ecobank kumba branch. Moreover, they were sent through email to the interviewee. The interview questions and answers can be found in Appendix 2. These interviews helped in receiving information about the bank and the factors influence customers' satisfaction and loyalty in their branch of Ecobank. Moreover, these interview also help in providing suggestions for the financial institution. The interview was conducted with the manager of the bank Mr. Solomon who have more than 12 years working experiences with that bank in particular. He has been trained in different departments, he has very good understand about customers 'satisfaction and loyalty in the bank. Most importantly, he is also a good teacher and supervisor with strong training skills. The main objective for this interview was to gather information about the company's background and the company's situation so far. Again, Solomon has professional skills and knowledge about providing excellent service for the customers in order to satisfy them. The background of the company is helpful in conducting SWOT analysis of the case company

4.2 SWOT analysis of Ecobank

4.2.1 Strength of the bank

In business we must understand that power is cease and not given and as such financial houses should cease this power so as to succeed for the foreseeable future. Every business has it strength, weaknesses opportunities and threat and therefore need to use this SWOT analyses to know what and where they are, strength and weaknesses are internal factors while opportunities and threat are external factors.

- REPUTATION (good will). A good name that has been in the bank will give stamina for it success. Banks like Ecobank which has foundation for reliability in it provision of financial services has more power to operate since it has been operating for quite a long time now.

- **EXPIRENC**E. Experience depend on how long the bank has been on operation, it can also be of international experience how many bank has branches abroad and subsidiaries and more so the experience of staff in which Ecobank possess it all.
- **Innovation**. Ecobank has a good record of introducing new products and services. Well trained workers are rich of knowledge to make innovation
- **Staff**. There is a pool of quality in well train staff in the bank
- **Technology**. Rapid accounting software eases work and hence lead to efficiency and effectiveness
- **Branch network**. The major banks have existing widespread network of domestic branches within easy reach of much of their existence and potential customer.
- **Symmetric information**. If the manager and shareholders of the bank have identical information about the firms prospects, they will be reasoning in the same direction and hence the bank will succeed

4.2.2 Weaknesses of the Banks

On Carrying the research at Ecobank kumba the research realized some weaknesses the bank faces which can be explain bellow.

Over radiance on it past success: If you succeeded last year, it does not that you will succeed this time, if you do not fight harder. It is often said that the future depend on the past but the should only be used as a eference or as a basis of forcasting the future and not solely on it.

Large bureaucracy: Bureaucracy slow down the degree of changes of the business, and therefore it is too cumbersome to control, in some businesses document need to pass through a series of useless points which are not necessary and as such retard operations involve. Sometimes there is sudden blockage on the passage of document and therefore will slow down transaction processes. Many signatories to a cheque may be good but it is a waste of time which is money.

Conservative in their tradition: Some financial institution are still embarking on traditional banking and old method of operation back in Cameroon, and as such they lack radical innovation compared to some of their newer competitors.

Growth of other financial institution: If other financial institution grow more than us it is a source of threat and could compete more effectively to handicap us. When financial institution grow to a certain level may be in terms of branches their existing managers may not have the managerial strength to handle the institution to render some special skills as the organization has grown to more than their own traditional skills. The recent world financial crisis is a bitter threat to national and international financial institution and this is a source of weakness to the system.

Corruption: This is a sickness in many economics and alarming in the third world nations. A corrupt system does not respect merits and as such many management positions in the bank are handle by movies who got into the institution via the back doors. In this case their managerial delinquency will cause more limitation in the smooth operations of the financial institution and hence a serious debility

Poor Corporate governance: The output or derivative of poor governance in any organization is liquidation. Indigent management methods are a serious menace to the growth of financial houses. It should be understood that financial resources cannot manage themselves except well-coordinated following the structures and mechanisms put in place by a diligent human resources manager/director.

Poor information technology and lack of internal controls: Internal control are processes put in place to prevent wrong doing. These monitor and reduce risk in organizational financial and operational activities. at times customer comes to the bank and spend almost a whole day just to get a document this goes with document like bank statement and ATM card, it is really an alarming situation in Eco bank due poor internet connection.

Exploitation of workers: Employees are been exploit in the bank in way that can make them to leave the bank, they are giving much work than what they receive as salary at the end of the month, when

employee are not treated well they can as well not encourage customer concerning their product and services.

4.2.3 Opportunities of Ecobank

It is important to know that the above mentioned environment give opportunities and threat to these organization and this organization must respond or react to these opportunity and threats. This is done by depending on the organization strength and weaknesses and the manager's strength and weaknesses. Some of this opportunities presented to financial institution are as follows.

- The freedom to enter into new sector following deregulation for example industrial free zone.
- Trade union has been reasonably moderate in their demand.
- Social changes have enlarge the population using the banking services.
- Introduction of advance technology has led to a reduction in routing work, greater job satisfaction and improve information for quick decision making.
- Technology offers the chances to reduce cost because more of the work is done by using the computer and as such less time is use hence cost reduction.
- Uncertainties in the job market have let to more staff stability and higher quality of labor.
- The harmonization of the accounting system through the introduction of the international accounting standard has led to the possibility of importation of experts from other system that have the expertise to man complex bank operation.

4.2.4 The threat of financial institution

Life is not easy, man, organization, nations and the world at large must past through rough pyramids to succeed. There is no business without risks and this are the sources of threat to business organization. Some of these threat can be seen as follow.

- Competition at home and from abroad may be growing
- Changes are possible to interest rates, exchange rates and government control
- Default of major borrowers due to political changes may threaten profitability.
- Pressure groups may demand changes in the way the organization operates
- Changes in the rate of birth, death and disease (demographic profile) may lead to shortage of suitable staff.

- Technology advances could leave the bank behind their competitors, if they fail to invest.
- Recruitment of specialized staff cause unhappiness amongst existing staff and upset salary planning.
- The world financial crisis may affect the abilities of Ecobank to operate.

Generally to maintain a successful business, managers must minimized these threat and exploit the opportunities to the fullest. They need to use their skills and professional judgement to determine how well the organization can responds to set objectives formulate strategies and communicate these to their employee in order to succeed. They must monitor their plans. If the environment changes they will need to re-evaluate their aims and adjust the strategies to build on the strength of the organization.

4.3 How banks can compete successfully

- For Ecobank to effective compete in the environment in which they operate, the first step is for Ecobank to analyses their market in order to gain a real understanding of what their customer needs. They need to diagnose the customer needs and wants and design method to satisfy them.
- The second step is to formulate and implement strategies to satisfy the needs of the customer.
- Thirdly banks must analyses the strength and weaknesses of their competitors, they must exploit the weaknesses and try to second guess the competitors strategies.
- Banks must promote and market their services effectively constantly refining them to meet changing customer demands.
- Banks must make changes in the organizational structure and train their staff in order to get rid of traditional practices which may hold the business back.
- They must develop and reward behavior which encourages innovations and discourage behavior which is over conservative and complacent.

4.4 Bank Customer Relationship

A bank service is the ability to the customer to fine out through polite questioning and find what he or she wants. Relationship are so important to customer, sales, people should tell their customer in the

course of sales conversation that their philosophy and that of the company is to build long term relationship with its customer. The objectives of any financial institution is to maximize the wealth of its shareholders and minimized costs. Nobody comes into business to make love, but to hit the target. As such there must be a good lesson between the element of the institution, department must be in accord with others personnel in good relationship and managers in very good terms with their personal. The banker must know that the customer is the king and therefore there must be a tight relationship between the bank and its customer. Before looking at this relationship we need to first of all know who is banker and who is customer.

A Banker is someone who keeps account such as current account deposit account savings account which can be used for paying in or taking out on customer demands. While a customer is the heartbeat of the bank and other businesses and therefore is the key stakeholder, customer are describe as kings and queens slaves. From a financial perspective a bank is owned by customers and they must be there for it to continue for the foreseeable future. A bank is created for the demand side and customer want to maximized the value for their money. Customers can dismiss/redundant all the bank employees and the investor by abstaining from the banks. There are two main rules that are important about a customer.

- Rule No 1 – the customer is always right.
- Rule No 2 – remember rule 1

4.5 Summary and result of data collection

This chapter 4 has present the outcome of this research, the data collected from the questionnaire survey was analyzed from the aspect of the customer of Ecobank kumba branch. Furthermore, it presents the factors which may influence customer satisfaction and loyalty, it would help Ecobank to increase their customer's satisfaction and loyalty if they are able to react quickly on every witnesses and treat their bank may be facing to avoid failure in satisfying their customer. The research conducted help discover the factors influencing customer satisfaction and loyalty of Ecobank from employees point of view. Moreover, the SWOT analysis of the bank help to understand the bank situation and in addition the suggestion are for the bank in future.

5 CONCLUSION AND RECOMMENDATION

The aim of this thesis was to examine the correlations between customer satisfaction and customer loyalty. It has come to the researcher understanding that employees plays a greater role in customer satisfaction and loyalty and this can be achieve only when employees themselves are satisfied ,are in a good working condition and get good payment. This is because dissatisfied employee will take more time off through sickness therefore raising the burden of work on their colleague, show less enthusiasm for their bank and services and can even do so in public. It is understood that loyal customer spend more and are willing to pay high prices, recommend new client and less costly to do business with, for it is costly to find a new customer than keeping an existing one. Employees should be treated as an asset because once employee are treated well they will be motivated, work more efficiently to help the company grow. Employees will only treat customer as well as they are been treated because ones they are treated well, they will be able to meet customers' demands. Customer as well will be satisfied and eventually remain loyal to the bank and more to that can recommend the bank to another because one of the best customer are those that encourage others to join.

To make a customer lives less difficult and less demanding gives you a superior shot of having such customer for life. Additionally, making your employees' lives less complex and simpler gives you more enabled and drew in workers that will probably give your customer a remarkable customer experience. Lastly banks need to monitor their competitor's performance, this can be through customer feedback.

Focusing on the above research one can recommend that in order for Ecobanks to be able to make her customers satisfied and remain loyal, firstly they need not focus on their past successes Tegwi (2012). Yes it is ok to be happy you succeeded last year what to do next is to maintain that success this year, maintaining the success is by implementing new strategies and working harder.

Secondly getting more branches guarantee bank success in order to improve customer satisfaction. Opening new braches can make customer happy that branches of their bank have come closer to their houses and business. But this can be successful if there is a good management or good employee because if the management is not able to meet customer demand the customer will not be satisfied and can make most of the customers leave the bank.

Again corruption is another issue facing Ecobank and Cameroon financial institution as a whole, they treat people according to their shares in the bank, customer with huge deposit in the bank are treated very differently, and the researcher realized the whole institution is made up of almost people from same tripe. Ecobank should treat their customer according to first come first serve because this will give the customer trust and make them remain loyal to the bank. At some wealthy customer use money to bribe their way in when they enter the bank is crowded so that they can be treated first. This factor alone paved a way to send other customer away.

Furthermore poor information technology (poor internet connection). Information technology still has to be adjusted in Ecobank and other banks of Cameroon, the internet connection is very slow and poor, at times customer get tired waiting for document or transaction to be carried out by bank, most of the time customer spent the whole day in the bank waiting for internet connection to become better at the end of some days they are asked to come back the next. This connection issue at times disturbs for over a week. All this can be a treat to customer because there are times that a customer can be in desperate need of money comes to the bank and there is no internet access, so most of the times they feel the bank is not making any effort to improve on that and it makes them dissatisfied with the bank.

Lastly exploitation of employee. The research explains that employees play a greater role to customer happiness in Ecobank once employee are well treated, have good working condition and payment they can make the bank grow to any level. When employee are satisfied with their job they can at times go extra miles to make the bank grow and to have good and loyal customer but the case was different from what researcher saw, employee were exploited working for long hours and less payment and less social benefits. If employee are well treated they will treat customer so well too, make them satisfied and remain loyal to the bank.

The most gainful customer can be dealt with uniquely. Keen gestures for example, birthday greeting and little presents can send them a solid positive signal. For customer to focus on a bank, customer satisfaction is both an objective and a showcasing device. EcoBank should care more with their customer satisfaction level today in light of the fact that the Internet permits customers to rapidly spread both great and terrible informal exchange to whatever remains of the world.

Conclusively for Ecobank to effectively compete in the environment in which they operate

- The first step is for Ecobank to analyze their market in order to gain a real understanding of what their customer needs. They need to diagnose the customer needs and wants and design methods to satisfy them.
- The second step is to formulate and implement strategies to satisfy the needs of the customer.
- Thirdly Ecobanks should analyze the strengths and weaknesses of their competitors.
- Ecobanks should promote and market their services effectively constantly refining them to meet changing customer demands.
- Ecobanks should make changes in the organizational culture and train their staff in order to get rid of traditional practices which may hold the business back.
- Lastly they should develop and reward behavior which encourages innovations and discourage behavior which is over conservative and complacent.

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Questionnaire

Thank you for granting me opportunity to communicate with you, I sincerely appreciate you time and answers you will give. The information that will be collected will only be used for my bachelor's thesis work so your response and the entire questionnaire will be treated confidential and anonymously. Your participation will be appreciated. Please, fill in this questionnaire by indicating the most appropriate choice from your point of view.

- 1) What is your gender? a) Male b) Female
- 2) How old are you? a) 0 to 20 b) 21 – 35 c) 36 - 50 d) 50 above
- 3) What is your income level? a) bellow 15000frs b) 15000 – 35000frs c) 35000 – 40000frs
d) 40000 FRS above.
- 4) What occupation are you? A) Teacher b) student c) business man/woman d) farmer
e) Civil servant.
- 5) How long have been a customer to our bank? A) Just new b) less than a year c) 1 – 3years
d) 3years above.
- 6) How likely are to recommend this bank to your friends, family members and colleague?
A) Not at all likely, b) likely c) very likely d) extremely likely
- 7) How satisfied are you with the bank and it products and services? A) Not satisfied b) Satisfied
c) Very satisfied d) extremely satisfied
- 8) Which of our product do you enjoy using most? A) ATMs b) loans c) Internet banking
d) E – product
- 9) Do our Product and services meet your need? a) Not at all b) yes
- 10) How responsive have we been to your question concerning our bank, product and services and any challenges you have ever face operating your account? A) Not all-responsive b) very responsive c) extremely responsive.

Interview between the researcher and Mr. Fomouso Solomon the manager of Eco bank Cameroon the kumba branch.

Interviewer

- 1) What do you understand about the concept of customer satisfaction and customer loyalty?

Interviewee

A customer cannot become loyal to a bank if he/she is not satisfied that means customer satisfaction is based on customer loyalty.

Interviewer

- 2) In your opinion what is the relationship between this two?

Interviewee

Both works together for me because I think satisfaction led to loyalty.

Interviewer

- 3) What are the factors, which may influence customer satisfaction?

Interviewee

Working condition is an influential factors to customer satisfaction because ones employee are in a good working condition they will be able to work well and satisfied the customer.

Interviewer

- 4) In your own what can cause customer to remain loyal?

Interviewee

For me is all about services quality, when customer expect good services they remain loyal, also brand awareness can increase loyalty like the introduction of ATM and internet banking so many of our customer love this as such they remain loyal and expect the best product from us.

Interviewer

- 5) What can one do to improve customer satisfaction?

Interviewee

First of all we have one of the best structure as concern banking in this town (kumba) with good working condition (air condition and others) when a customer comes into the bank they already feel ok and satisfied.

Interviewer

6) What are the most challenging aspect concerning your job?

Interviewee

It is very difficult at times to communicate with internet failure and also with some uneducated customer is very difficult to explain certain things and they understand, I deal with categories of customer rude, unreasonable, uneducated customer are always a challenge.

Interviewer

7) To ensure that Eco bank can always provide the best what qualities do you need from an employee

Interviewee

There is a gold standard for Eco bank employee and more to that employee should be some one that can be an active participant who can initiate idea and very jovial.

Interviewer

8) I realized that you are the oldest worker in that institution and manager as well what can you recommend for a fresh graduate who want to work in a financial institution?

Interviewee

For a young graduate I could the person should open his/her mind so that you will keep learning from other colleagues every day, more so you need to overcome all challenges and taking pleasure in helping others.

Interviewer

9) What kind of problem may exist in process of increasing customer satisfaction and loyalty?

Interviewee

Increasing satisfaction and loyalty need all employee to be ready for dealing with all kind of customer.

10) How do you deal with your competitors around the same town?

Interviewee

Talking about competitors there are always there but we differentiate them with our good product and services. More to that we at times compete with our number branches both national and international branches which Ecobank is far ahead.